

# [A Method for Supply Chain Compression]

## Abstract

The invention provides a method and system comprising the identification of live stocking points and the filtering of files to include only live stocking points. The inventive stocking points reflect not only the part number but also the location within the bills of materials supply chain. The invention also provides a method and system for identifying live stocking points which efficiently handles circular supply chain flows such as those occurring due to: plants shipping to each other, planned rework, and part numbers being substituted for each other. In addition, the invention identifies live stocking points where only parts and locations that may be supplied are identified as live. The invention identifies the ability to substitute parts ("suppliability") by examining component supply, inventory, capability to build, planned receipts, and capability of supplying the parts through substitution of other part(s).